

NOTICE OF PROPOSED CHANGES IN REGULATIONS OF THE
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES (CDSS)

ITEM # 3 Direct Deposit

The CDSS hereby gives notice of the proposed regulatory action(s) described below. Any person interested may present statements or arguments orally or in writing relevant to the proposed regulations at the public hearing to be held January 15, 2002 and January 16, 2002, as follows:

January 15, 2002
Community Care Licensing Regional Office
100 Corporate Point, #350
(Entrance on Slausen)
Culver City, California

January 16, 2002
CDSS Office Building #9
744 P Street, Auditorium
Sacramento, California

The public hearings will both convene at 10:00 a.m. and will remain open only as long as attendees are presenting testimony. The CDSS will adjourn the hearing immediately following the completion of testimony presentations. The above-referenced facility is accessible to persons with disabilities. If you are in need of a language interpreter at the hearing (including sign language), please notify the CDSS at least two weeks prior to the hearing.

Statements or arguments relating to the proposals may also be submitted in writing, e-mail, or by telefax to the address/number listed below. All comments must be received by 5:00 p.m. on January 16, 2002.

The CDSS, upon its own motion or at the instance of any interested party, may adopt the proposals substantially as described or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of nonsubstantive, technical, or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption to all persons who testify or submit written comments during the public comment period, and all persons who request notification. Please address requests for regulations as modified to the agency representative identified below.

Copies of the express terms of the proposed regulations and the Initial Statement of Reasons are available from the office listed below. This notice and the proposed regulations are anticipated to be available online at <http://www.dss.cahwnet.gov/ord> by December 1, 2001. Additionally, all the information which the CDSS considered as the basis for these proposed regulations (i.e., rulemaking file) is available for public reading/perusal at the address listed below.

Following the public hearing, copies of the Final Statement of Reasons will be available from the office listed below.

CONTACT: Anthony J. Velasquez, Chief
Office of Regulations Development
California Department of Social Services
744 P Street, MS 7-192
Sacramento, California 95814

TELEPHONE: (916) 657-2586
ord@dss.ca.gov

TELEFAX: (916) 654-3286

E-MAIL:

CHAPTERS

Manual of Policies and Procedures, Division 25, Chapter 25-300 (Aid Authorization Action and Fiscal Control), Sections 25-301 (Aid Authorization Action), 25-302 (Reissuance of Public Assistance Payments Reported Lost, Stolen, Destroyed, or Lost in the Mail), 25-303 (Public Assistance Payments After Death), 25-304 (Endorsements or Authorization of Public Assistance Payments), 25-305 (Protective Payments - Accountability), 25-306 (Vendor Payments - Accountability and Requirements), 25-310.3 (Authorization After Death), and 25-330.9 (Enclosures with Public Assistance Payments), and Chapter 25-500 (Governmental Participation in Aid Payments), Section 25-506 (Participation in Exception Public Assistance Payments); Division 44, Chapter 44-300 (Aid Payments), Sections 44-302 (Payment by Direct Deposit), 44-304 (Aid Payment Schedules), 44-305 (Aid Payments - Payee and Delivery), 44-325 (Changes in Amount of Payment), and 44-327 (Delayed Payment); and Division 80 (Implementation Schedule), Chapter 80-300 (Definitions and Forms), Section 80-310 (Definitions - Forms).

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

These proposed regulations implement and make specific Senate Bill (SB) 962, (Chapter 795, Statutes of 2000), which amended Section 11006.2 of the Welfare and Institutions Code. SB 962 states that California welfare recipients are in the process or making the transition from welfare into the paid labor market. Part of this transition should include participation in the economic mainstream by having the choice to establish banking relationships. Direct deposit of public assistance payments is provided to assist welfare recipients in this transition by reducing a barrier to full participation in the banking system.

The CDSS is required to provide for the delivery of public assistance payments, more specifically, current regulations specify that public assistance payments be issued as a paper warrant. The proposed regulations add that the public assistance payments may be issued by an electronically-based system. The proposed regulations, consistent with Section 11006.2 of the Welfare and Institutions Code, provide for the direct deposit of public assistance payments as specified; including that the direct deposit of assistance payments shall be available to CalWORKs recipients in any county that offers a program or direct payroll deposit to some or all their employees and that the CalWORKs recipient can request direct deposit at any time.

COST ESTIMATE

1. Costs or Savings to State Agencies: Additional expenditures of approximately \$582,000* in the current state fiscal year (FY). * These costs were included in the FY 2001-02 Appropriation.
2. Costs to Local Agencies or School Districts: The County Welfare Departments are not required to spend above their Maintenance of Effort Level for the CalWORKs program. There are no costs to school districts.
3. Nondiscretionary Costs or Savings to Local Agencies: None.
4. Federal Funding to State Agencies: Additional expenditures of approximately \$5,077,000* in the current state fiscal year (FY). * These costs were included in the FY 2001-02 Appropriation.

LOCAL MANDATE STATEMENT

These regulations do constitute a mandate on local agencies, but not on local school districts. There are state mandated local costs that require reimbursement, which is provided in the Budget Act to cover any costs that local agencies may incur.

STATEMENT OF SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS

The CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

STATEMENT OF POTENTIAL COST IMPACT ON PRIVATE PERSONS OR BUSINESSES

The CDSS is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

SMALL BUSINESS IMPACT STATEMENT

The CDSS has determined that there is no impact on small businesses as a result of filing these regulations because these regulations are only applicable to state and county agencies.

ASSESSMENT OF JOB CREATION OR ELIMINATION

The adoption of the proposed amendments will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California.

STATEMENT OF EFFECT ON HOUSING COSTS

The proposed regulatory action will have no effect on housing costs.

STATEMENT OF ALTERNATIVES CONSIDERED

The CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed action.

AUTHORITY AND REFERENCE CITATIONS

The CDSS adopts these regulations under the authority granted in Sections 10553, 10554, and 11006.2 of the Welfare and Institutions Code. Subject regulations implement and make specific Sections 10063(a), 10553, 10554, and 11006.2 of the Welfare and Institutions Code; Sections 7465, 29850, 29851, 29852, 29853, 29853.5, and 29854 of the Government Code; and the Invitation to Partner (ITP), Health and Welfare Agency Data Center, California Electronic Benefit Transfer (EBT) System, ITP - HWDC 8024, dated August 3, 1999, Appendix B: Glossary.

CDSS REPRESENTATIVE REGARDING RULEMAKING PROCESS OF THE PROPOSED REGULATION

Contact Person: Anthony J. Velasquez (916) 657-2586
Backup: John Flores (916) 657-2586

CDSS REPRESENTATIVE REGARDING SUBSTANCE OF THE PROPOSED REGULATION

Program Contact: Stan Cagle (916) 654-1529
Backup: David Badal (916) 654-1405

EMERGENCY STATEMENT

These regulations are to be adopted on an emergency basis. In order to allow interested persons an opportunity to submit statements or arguments concerning these regulations, they will be considered at public hearing in accordance with Government Code Section 11346.4.

AGENDA ITEMS FOR THESE PUBLIC HEARINGS - January 15, 2002 and January 16, 2002

ITEM #1	ORD #0501-11	Foster Care Financial Audit Requirements
ITEM #2	ORD #1000-20	Adult Day Care / Adult Day Support Regulations
ITEM #3	ORD #0901-20	Direct Deposit
ITEM #4	ORD #0801-18	CalWORKs: Inter-County Transfers